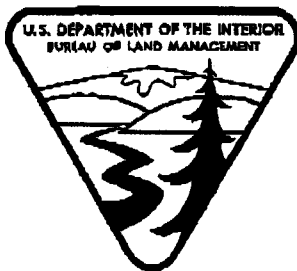


RDS 502

M/23/0067

**FAX TRANSMITTAL:**

Bureau of Land Management

Fillmore Field Office

35 E. 500 N.

Fillmore, UT 84631

Date: June 11, 2001TO: Tom MunsonCOMPANY: UDOGMLOCATION: SLC

FAX NUMBER: _____

FROM: Larry GarabanaCOMPANY: BLMLOCATION: FillmoreFAX NUMBER: (435) 743-3135 TELEPHONE NUMBER: (435) 743-3100TOTAL NUMBER OF PAGES 5
(INCLUDING COVER SHEET)MESSAGE: Let me know if this didn't come through very
good. Thanks.

**SURFACE INSPECTION
COMPLIANCE REPORT**

Date of Inspection: August 23, 2000

Case Serial No.: UTU-075888

Operator: Resource Design Solutions

Project Description: Quarry Granite

Legal Description: SE¼ Sec 35 T. 12 S., R. 7 W.

Field Office: Fillmore

Inspector: Larry Garahana

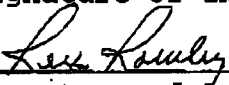
REPORT NARRATIVE (REFERENCE STIPULATIONS BY NUMBER OR TITLE)

The last inspection of this site found RDS digging out and around a large boulder in order to have a Michigan Company split it for samples.

For this inspection I went out to see the progress at this site. When I arrived, I found the site in the same condition as it was the last time I was there, with a large boulder sticking out of ground where they had dug, all the equipment was gone (front-end loader, saw, trailers), but an empty large metal container was there by the boulder.

I spoke with Joe Dunlop (RDS Representative) and he said they were out of money, and until they find another investor, they wouldn't be able to do any further work at this location. I asked him to keep me informed on their plans for this site.


Signature of Inspector


Signature of Authorized Officer

**SURFACE INSPECTION
COMPLIANCE REPORT**Date of Inspection: July 6, 2000Case Serial No.: UTU-075888Operator: Resource Design Solutions (RDS)Project Description: Quarry GraniteLegal Description: SE¼ Sec. 35, T. 12 S., R. 7 W.Field Office: FillmoreInspector: Larry GarabanaREPORT NARRATIVE (REFERENCE STIPULATIONS BY NUMBER OR TITLE)

On April 27, 2000 our office received an amendment to this notice for the NW¼ of Sec. 1, T 13 S., R. 7 W., but in fact the location they were at was in the SE¼SE¼ Sec. 35, T. 12 S., R. 7 W. I informed them that I would correct the location in the file.

As of May 12, 2000, RDS was able to proceed with their operation in said location, although on May 11th I informed Joe Dunlop (RDS Bigwig) that this is common variety and that we would set up a sale for a mineral material disposal as soon as we could get an appraised value. They agreed to this and were awaiting preliminary figures so they could make a cost analysis and see if they wanted to proceed with mining the granite.

With this inspection I found that RDS has been exercising their right under this notice to conduct sampling and testing of the rock. They have dug out and around a large boulder (see photo), and are awaiting a crew from Michigan that is suppose to be on site as of July 15th to show them how to split the material. They plan to remove these slabs, polish them, and use them as samples to get orders for the material.

At the time of this inspection I spoke with Jeff Mienhardt (RDS Representative) on site, and informed him that the BLM believe this is common variety and that I have spoke with Dunlop about that same matter, and that we will be setting this up for a mineral material sale before they remove any product.

Other than that, they are within the scope of their notice and there is no debris and/or hazards associated with this operation.


Signature of Inspector
Signature of Authorized Officer

**SURFACE INSPECTION
COMPLIANCE REPORT**

Date of Inspection: May 3, 2000

Case Serial No.: UTU-075888

Operator: Resource Design Solutions (RDS)

Project Description: Exploration For Granite

Legal Description: NW¼ Sec. 13, T. 12 S., R. 7 W.

Field Office: Fillmore

Inspector: Larry Garahana

REPORT NARRATIVE (REFERENCE STIPULATIONS BY NUMBER OR TITLE)

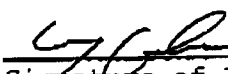
On April 27, 2000 we received an amendment to this notice for the NW¼ of Sec. 1, T. 13 S., R. 7 W., But when I went out to this site to meet with RDS I found they were wrong in their location. The area they wanted to explore is in the SE¼SE¼ of Sec. 35 (see map). They plan to remove a few boulders and drill some 2" core samples.

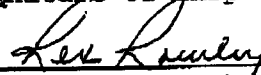
On April 28, I gave Erik a copy of the amendment and later the correct location. He met with RDS on site and cleared the intended area.

On May 11, I spoke with Joe Dunlop about this deposit and informed him we believe it is common variety, and that a sale of this material would be more appropriate. He asked if we could set up a noncompetitive sale for this material, and I told him we would move in that direction.

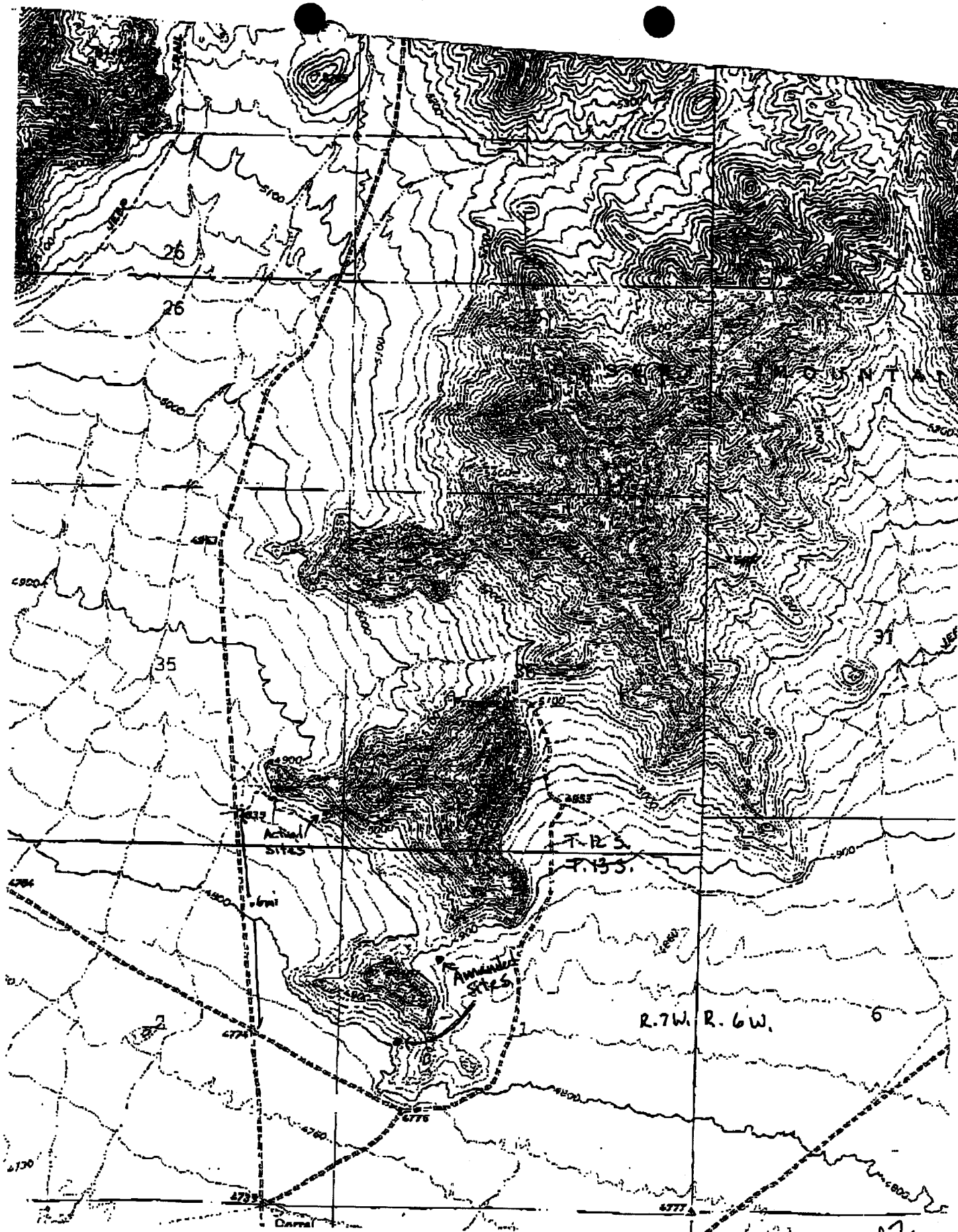
On May 12, 2000, Sheri sent a memorandum to the State Office platting the area for a community pit (UTU-078277).

As of May 12, 2000, RDS was able to take said samples from the new location under their notice/amendment to determine the quality of the material.


Signature of Inspector


Signature of Authorized Officer

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